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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/885,352	06/20/2001	Giovanni Guidi	6208/25	4159
27383	7590	05/04/2006	EXAMINER	
CLIFFORD CHANCE US LLP 31 WEST 52ND STREET NEW YORK, NY 10019-6131			APPLE, KIRSTEN SACHWITZ	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 05/04/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/885,352

Applicant(s)

GUIDI ET AL.

Examiner

Kirsten S. Apple

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 20 June 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)               | Paper No(s)/Mail Date. _____  |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>6/20/01; 8/20/03; 10/5/01; 5/7/04</u>                                     | 6) <input type="checkbox"/> Other: _____                                    |

## Detailed Action

This action is in response to the application filed on 06/29/2001.

### *Priority*

No claim for priority has been made in this application.

### *Claim Rejections - 35 USC § 102*

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-12 are rejected under 35 U.S.C. 102(e) as being anticipated by Neiboer US Patent 6,418,419.

**Re claim 1:** Neiboer discloses:

*A computer implemented method of financial instrument trading (see Nieboer, title), comprising:*

*Calculating a financial risk associated with a first financial instrument based on a pricing volatility model (see Nieboer, column 3, line 48 "volatility offering")*

*Generating an order to hedge the first financial instrument by acquiring a second financial instrument at a target price that is determined based on the pricing volatility model (see Neiboer, Figure 15, conditional order charts) and*

*Transmitting the order to an exchange (see Neiboer, Column 22, line 57-61)*

**Re claim 2:** Neiboer discloses:

*Acquiring the second financial instrument = acquiring a position selected from the group consisting of a short position and a long position in the second financial instrument (see Nieboer, column 17, line 7-10)*

**Re claim 3:** Neiboer discloses:

*Order to hedge = an order to acquire a second financial instrument having a valuation behavior acting to offset valuation change of the first financial instrument (see Nieboer, Table at top of column 13 & 14, "calculator" "input price and hedge – output new price")*

**Re claim 4:** Neiboer discloses:

*Order = buy order at a target price less than the current asking price (see Nieboer, Figure 15, buy order = buy, sell order = sell, asking price = trade)*

*The method further comprises generating a second order to hedge comprising a sell order to sell the second financial instrument at a target price greater than the current bid price for the second financial instrument and price (see Nieboer, Figure 15)*

*Transmitting the order = transmitting the buy and sell order to the exchange such that both the buy and the sell order are simultaneously pending and execution of the buy or sell order is determined based on price movement of the second financial instrument. (see Nieboer, Column 22, line 57-61)*

**Re claim 5:** Neiboer discloses:

*Automatically generating a subsequent order to acquire the second financial instrument in response to a change in the pricing volatility model (see Nieboer, figure 2, item T2)*

**Re claim 6:** Neiboer discloses:

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*First financial instrument = an option on an underlying stock and the second financial instrument comprises the underlying stock (see Neiboer, Figure 14)*

**Re claim 7:** Neiboer discloses:

*Model is based on a first derivative of the option price with respect to a first derivative of the underlying stock price (see Neiboer, Figure 14)*

**Re claim 8:** Neiboer discloses:

*Financial risk comprises a risk associated with pricing volatility of the first financial instrument (see Nieboer, column 3, line 48 "volatility offering")*

**Re claim 9:** Neiboer discloses:

*Terminal interface coupling the system to a plurality of trading terminals (see Neiboer, Figure 3)*

*Trading network interface coupling the system to a financial instrument trading exchange (see Neiboer, Figure 3, item T)*

*A hedging engine (see Neiboer, Figure 3, Item TE) operatively coupled to the terminal interface and to the trading network interface and configured to receive hedging data (see Neiboer, Figure 3, item 9) from ones of the trading terminals and to transmit buy and sell hedging orders to the financial instrument trading exchange,*

*The hedging engine compressing stored instructions to configure generation of successive stage of buy and sell hedging orders (see Neiboer, Figure 3, item TE), each of the buy and sell orders comprising a price determined based on a volatility model associated with a financial instrument and a reference price for the financial instrument, the reference price being adjustable for each of the successive stage. (see Neiboer, Figure 3, arrows from TE),*

**Re claim 10:** Neiboer discloses:

*System further comprises a portfolio management system and the hedging engine (see Neiboer, Figure 3, item TE), further comprises stored instructions to configure the hedging engine to retrieve data identifying each of a plurality of financial instruments held in a first account and to assess risk associated with each of the plurality of financial instruments based on the volatility model (see Neiboer, Figure 3, item 10).*

**Re claim 11:** Neiboer discloses:

*A computer-implemented method of financial instrument trading (see Nieboer, title), comprising:*

*Calculating a financial risk associated with a first financial instrument based on a pricing volatility model (see Nieboer, column 3, line 48 "volatility offering")*

*In first hedging stage*

- *generating a first buy order and a first sell order each for a second financial instrument having a valuation that is correlated with the valuation of the first financial instrument, the first buy order comprising a buy target price and a buy quantity and the first sell order comprising a sell target price and a sell quantity, the buy and the sell target price and the buy and the sell quantity each being automatically determined based on an initial volatility value determined from the price volatility model so as to enable hedging of the financial risk (see Nieboer, Figure 15)*
- *transmitting the first buy and the first sell order to an exchange (see Neiboer, Column 22, line 57-61)*

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- *receiving a notification from the exchange that one of the first buy order or the first sell order has been filled by the exchange and then canceling the unfilled one of the first buy order or first sell order (see Neiboer, figure 2, item T2)*  
*in each of a plurality of subsequent hedging stages*
- *generating another buy and another sell order each for the second financial instrument based on a volatility value received from a trader and on a reference price at which a previous buy or previous sell order was filled by the exchange during a previous hedging stage and on a model adjusting the buy or sell order based on trending of the market with respect to the second financial instrument (see Nieboer, Figure 15)*
- *transmitting buy and sell order to the exchange (see Neiboer, Column 22, line 57-61)*
- *receiving a notification from the exchange that one of said buy or sell orders has been filled by the exchange and then canceling the unfilled one of the buy order or sell order (see Neiboer, figure 2, item T2)*

**Re claim 12:** Neiboer discloses:

*The first instrument comprises an option on an underlying stock and the second instrument comprises the underlying stock (see Neiboer, Figure 14)*

#### ***Contact Information***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kirsten S. Apple whose telephone number is 571.272.5588. The examiner can normally be reached on Monday - Friday 7:30-6:00.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached on 571.272.6799. The fax phone number for the organization where this application or proceeding is assigned is 571-272-6126.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

ksa

  
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